

# SBA New York District Office News

With SBA news for the counties of Queens, New York, Bronx, Kings, Westchester, Nassau, Suffolk, Richmond, Rockland, Ulster, Orange, Sullivan, Dutchess & Putnam

Jose R. Sifontes,  
District Director

New York District Office  
26 Federal Plaza, Room 3100  
New York, NY 10278

Tel: 212-264-9487  
Web-site: [www.sba.gov](http://www.sba.gov)  
Español: [www.negocios.gov](http://www.negocios.gov)

Volume 1, Issue 4

September 2003

## SBA AND THOMAS REGIONAL PRESENT FIRST SMALL BUSINESS GROWTH SERIES SEMINAR

The SBA New York District Office and Thomas Regional presented a half-day seminar geared toward assisting industrial small businesses at 26 Federal Plaza on September 25, 2003.

Nearly 250 business owners, business organization leaders and media representatives attended the first Small Business Growth Series seminar. Mastercard International, ADP Small Business Services and the Service Corps of Retired Executives lent their respective expertise throughout the seminar planning process and shared in presenting the day's seminar topics with the SBA and Thomas Regional.

## U.S. Small Business Administration America's Small Business Resource

According to a survey conducted by Thomas Regional preceding the seminar, 78% of the nearly 2,500 respondents stated that they planned to grow their businesses over the next 12 months. They stated that managing that growth, however, would be a significant challenge. The purpose of the seminar was to help industrial small businesses turn those challenges into opportunities.

The survey results determined the three seminar topics: Show Me the Money, Show Me How To Smartly Manage My Growth, and Show Me How To Grow My Business on the Web. Participants were able to attend two of the three sessions. SBA Regional Administrator Michael Pappas served as host and emcee. New York City Department of Small Business Services Commissioner Robert Walsh provided remarks.

Thomas Regional is a division of Thomas Publishing Company, which connects small industrial buyers and suppliers through Internet, CD-ROM, and print directories.



*Regional Administrator Michael Pappas addressing Small Business Growth Series seminar*

Want to know about SBA and other small business events happening around town? Go to our Calendar of Events at [www.sba.gov/ny/ny](http://www.sba.gov/ny/ny) and click on "Training Calendar."

## SBA ADMINISTRATOR BARRETO VISITS NYDO IN JULY

SBA Administrator Hector V. Barreto visited the NYDO twice in July. On July 18, 2003, Administrator Barreto was the keynote speaker at a Long Island Association meeting. He informed the 150 attendees about the agency's efforts to reduce small business owners' health care costs through Association Health Plans.

Administrator Barreto then visited an SBA success story, Air East Airways (**see success story on pg. 2**). Finally, he presided over a Long Island

### INSIDE THIS ISSUE

- 2 SBA helps Air East Airways to soar
- 3 The E-Business Institute, SBA's online virtual classroom
- 4 The SBA's Emerging Market Automotive Program
- 4 Government contracts through 8(a)
- 4 The SBA's National Ombudsman assists small businesses with regulatory compliance

Lender and Resource Partner Roundtable to discuss issues of concern to local lenders and to SBA technical assistance providers.

The following week, on July 25<sup>th</sup>, Administrator Barreto returned to the NYDO to address the Latina Style Business Series at the Crowne Plaza Hotel in Manhattan. He spoke there about growing up in an entrepreneurial family and about the benefits of diversity.



*Administrator Barreto addressing the Latina Style Business Series*

## **LONG ISLAND BUSINESS FINDS THAT SKY'S THE LIMIT THANKS TO THE SBA**

Mike and Maureen Tarascio ran Air East Airways as a flight school and charter company out of their home for 18 years, but always knew that that would only be the starting point. Their dreams were quite literally as big as the sky.

They eventually moved the business out of the home into Republic Airport in Farmingdale, Long Island. They not only expanded their physical space, but the business' scope as well: besides flight training and airplane chartering, they added maintenance and aircraft avionics to their services.

Things were certainly looking up for Air East Airways.

Mike and Maureen then came upon a problem that many hard-working small business owners face; namely, how to manage the growth of their business. Unfortunately, Air East Airways was scattered among three buildings within the Airport. "We needed to consolidate into a large, modern space to permit us to operate as efficiently as possible and to grow the business even further," said Maureen.

Mike and Maureen identified the desired space but had to figure out how to finance it affordably. They then learned about the SBA's 504 program. The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. A Certified Development Company is a nonprofit corporation set up to contribute to the economic development of its community. CDCs work with the SBA and private-sector lenders to provide financing to small businesses. The designated CDC in Long Island is the Long Island Development Corporation in Bethpage, NY.

---

*Air East Airways demonstrates the economic development impact of the SBA's programs in general, and the 504 Program in particular*

---

"We felt that the 504 Program would serve the Tarascio's financing needs well," said Roslyn D. Goldmacher, President and CEO of the LIDC. Typically, a 504 project includes a loan secured with a senior lien from a private-sector lender

covering up to 50 percent of the project cost, a loan secured with a junior lien from the CDC - backed by a 100 percent SBA-guaranteed debenture - covering up to 40 percent of the cost, and a contribution of at least 10 percent equity from the small business being helped.

Through a \$1.3 million 504 loan, they were able to build a modern, 17,000 square foot facility in July, 2000. "Roz and the LIDC staff were just great in helping us to secure this financing," Mike said. "They helped with putting the deal together and with the paperwork. The LIDC's hands-on assistance enabled us to focus our time where it should have been- on running our business."

The improvement in the business after moving in to the new facility was dramatic. Today, Air East generates more than double the revenue and employs 50% more people that it did before purchasing the building.

"Air East Airways demonstrates the economic development impact of the SBA's programs in general, and the 504 Program in particular," said Jose R. Sifontes, District Director of the SBA's New York District Office. So far in Fiscal Year 2003, the SBA has approved 650 loans on Long Island for nearly \$114 million. "We want to do even more to assist the Long Island business community," Sifontes said.

The SBA did even more to assist Air East Airways. The 9/11 terrorist attacks put flight restrictions on all East Coast airports and effectively shut down operations at Republic Airport. Air East was not fully operational until after Thanksgiving of 2001. Air East began to lose over \$50,000 a month in revenue, jeopardizing

repayment of the SBA loan and its very survival.

The Tarascios then turned to the Small Business Development Center at Farmingdale State University. The SBA administers the Small Business Development Center Program to provide management assistance to current and prospective small business owners. SBDCs offer one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations.

With help from the Farmingdale SBDC, the Tarascios received a \$300,000 SBA Economic Injury Disaster Loan to cover six months' lost working capital. When Air East received the first increment of the loan, it saved seven jobs. "I'm not sure that we would have been able to survive without the help of SBDC Regional Director Lucille Wesnofke and Business Adviser John Narciso," Maureen said.

The Tarascios have an aggressive growth strategy and will utilize the SBA's programs to help them achieve it. They recently purchased their 3<sup>rd</sup> jet aircraft and plan to purchase another property to continue their expansion. The Farmingdale SBDC is helping Maureen to apply for woman-owned business status. The Tarascios also plan to pursue government contracts through the LIDC's Procurement Technical Assistance Program. "We will certainly look to the LIDC and the SBDC as critical partners in our expansion plans," said Mike.

For more information about Air East Airways, call 631-756-5500. To learn how the Long

Island Development Corporation can assist your business, call 516-433-5000 or go to [www.lidc.org](http://www.lidc.org). Long Islanders seeking more information about all SBA programs should contact the SBA Melville Branch Office at 631-454-0750 or go to [www.sba.gov](http://www.sba.gov).

#### **Need business advice?**

Visit one of the SBA's Resource Partners for free assistance. Go to the following web sites to find the location nearest you!

For Small Business Development Centers: <http://www.nyssbdc.org/Locations2/locations2.cfm>

For the Service Corps of Retired Executives: <http://www.score.org>

For Women's Business Centers: <http://www.onlinewbc.gov>

### **SBA PROVIDES NEW ONLINE VIRTUAL CLASSROOM FOR SMALL BUSINESS OWNERS AND ASPIRING ENTREPRENEURS**

---

### **LAUNCHES E-BUSINESS INSTITUTE WEB SITE [WWW.SBA.GOV/TRAINING](http://WWW.SBA.GOV/TRAINING)**

Small business owners can now access an online virtual classroom of business courses, workshops, information resources, learning tools and counseling assistance through the SBA's E-Business Institute Web site.

"As America's small business resource, the SBA is committed to offering the best in online educational programs to small business owners," said SBA Administrator Hector V. Barreto. "Our course selection will continue to grow, adding to our small business training,

education and information assistance capabilities."

The E-Business Institute is a virtual campus offering free tutorials, workshops and educational resources. It offers a range of online business training and counseling tools to assist entrepreneurs with business start-up, from developing marketing strategies to effective employee management. It also provides valuable information for existing small business owners. The E-Business Institute is an easy-to-use tool that provides 24-hour access to business courses via the Internet.

The E-Business Institute was designed with small business entrepreneurs in mind to provide interactive business guidance on a range of topics. There are 16 training categories with more than 70 interactive courses and electronic guides to provide educational tools and resources on entrepreneurship. Many of the courses include audio sound bytes, quizzes and feedback. They can be accessed online at [www.sba.gov/training](http://www.sba.gov/training).

The online courses make the SBA's business management resources available anytime and anywhere. The E-Business Institute also features a virtual library with more than 200 free E-books and publications, links to the top business magazines and national newspapers, direct links to colleges and universities that offer online business courses and programs, and a section for young entrepreneurs to pursue their business interests.



## **SBA, FORD, MINORITY AUTO DEALERS INK AGREEMENT TO IDENTIFY, HELP FINANCE DEALERSHIP OWNERSHIP OPPORTUNITIES FOR MINORITIES**

Administrator Hector V. Barreto recently announced the signing of a co-sponsorship agreement with the National Association of Minority Automobile Dealers (NAMAD) and Ford Motor Company as participants in the SBA's Emerging Market Automotive Program.

The program is designed to locate automobile dealership franchise opportunities for emerging market entrepreneurs and assist in the financing of these dealerships. Under this agreement, Ford will use the resources of its Minority Dealer Development Program and NAMAD will use its resources to locate small automobile dealer candidates who need government financial assistance. The SBA will review the financing needs of the business and provide guidance on how to maximize the benefits of the SBA financial assistance programs.

The SBA is exploring several Memorandums of Understanding with NAMAD and other automobile manufacturers.

### **Interested in Government Contracts?**

Small disadvantaged businesses interested in becoming more competitive in obtaining a piece of the over \$200 billion Federal procurement market need to learn about the 8(a) Business Development Program.

To qualify for the program, a small business must be owned and controlled by a socially and economically disadvantaged citizen.

Program participants may take advantage of specialized training with regard to obtaining Government contracts.

The NYDO holds Pre-Certification 8(a) Orientation Seminars every month in Manhattan and Melville, L.I. Those interested in more information should call 212-264-4322 or visit

<http://www.sba.gov/ny/ny/nymed.html> and select either the New York City or Long Island seminars.

## **SBA NATIONAL OMBUDSMAN PROVIDES ACCESS TO SMALL BUSINESS REGULATORY COMPLIANCE INFORMATION**

The SBA, in cooperation with the Office of Management of Budget, has developed a comprehensive list of federal regulatory compliance assistance resources and a point of contact in each federal agency for helping small businesses comply with the Small Business Paperwork Relief Act.

"The SBA, with the assistance of the OMB, is breaking down more barriers to small business productivity," said SBA Administrator Hector V. Barreto. "This is an example of the federal government listening to

the concerns of small business owners and finding ways to meet President Bush's mandate to reduce the federal regulatory burden – what he calls the strangulation of regulation," he said.

"The latest OMB estimates are that it takes businesses and citizens approximately 8.2 billion hours and \$320 billion annually to collect and submit data to the federal government. This takes resources away from starting and expanding small businesses, from creating new products and services, and from hiring new employees," Barreto said.

The Paperwork Reduction Act required the SBA National Ombudsman and OMB to identify and list resources. This information is on the ombudsman's Web site at <http://www.sba.gov/ombudsman/compliance/complianceassist.html>

"I'm pleased that our office can provide this service to the nation's small businesses," said SBA National Ombudsman Michael Barrera. "More and more we are finding federal regulatory agencies switching from a 'gotcha' attitude to a 'let-me-help-you' point of view. This is not only good government, it is good business."

Barrera's national ombudsman's office provides a sounding board for small businesses experiencing excessive or unfair regulatory enforcement. These concerns can be sent directly to Barrera's office or presented at one of numerous hearings he holds throughout the country each year.

For more information about the office, how to file a complaint, and where hearings have been

held or are scheduled, go to <http://www.sba.gov/ombudsman/>, or call 1-888-REG-FAIR. In addition to providing compliance assistance information, the Act required OMB to publish the final report of the Small Business Paperwork Relief Task Force on ways to reduce the paperwork burden. The report can be found at [www.whitehouse.gov/omb/inforeg/sbpr2003.pdf](http://www.whitehouse.gov/omb/inforeg/sbpr2003.pdf).

**Need business statistics?**

The SBA Office of Advocacy can help!!

The Office of Advocacy is the voice for small business in the Federal Government and *the* source for small business statistics.

Take some time to learn more about the Office of Advocacy: go to [www.sba.gov/advo](http://www.sba.gov/advo).

**SBA Region II 50<sup>th</sup>  
Anniversary Celebration**

**Date:** October 20, 2003  
**Place:** Syracuse, New York  
**Location:** Onondaga County  
Convention Center

**9:30 AM – 1:30 PM**  
Resource Partner Displays  
and Networking

**10:00 AM- 11:15 AM**  
Small Business Roundtable

**11:30 AM – 1:00 PM**  
50<sup>th</sup> Anniversary Luncheon  
and  
District Director Choice  
Awards

*SBA New York District Office News*

**Jose R. Sifontes**  
**District Director**

**Miguel Centeno**  
**Editor and**  
**Public Information**  
**Officer**

Copies of *the SBA New York District Office News* are distributed free of charge to SBA resource partners, service providers, small business owners and other small business advocates. To be added to our mailing list, please contact Miguel Centeno at [miguel.centeno@sba.gov](mailto:miguel.centeno@sba.gov).

To be removed from this list, please e-mail Miguel Centeno at the above address and put "remove" in the subject line.

  
U.S. Small Business Administration  
**America's Small  
Business  
Resource**